

- Hall co-sponsored legislation would end credit card companies' tricks now -
- Bill would move up effective date for Credit Cardholders Bill of Rights from Feb 22, 2010 -

Washington, DC – With credit card companies doubling interest rates on consumers and ramping up other unfair practices in advance of the Credit Cardholders Bill of Rights taking effect in February, U.S. Rep. John Hall (D-Dover) voted to speed up the effective date to give consumers badly needed relief in time for the holiday season. Yesterday, the House passed the Expedited CARD Reform for Consumers Act (H.R. 3639), which Congressman Hall cosponsored, by a vote of 331 to 92. The legislation would make the Credit Cardholders Bill of Rights take effect immediately, instead of on February 22, 2010. The legislation still needs to be passed by the Senate and signed into law.

"Credit card companies are trying to get in under the wire and crush consumers as much as possible before the law goes into effect," said Hall. "The credit card industry brought this upon themselves. Consumers need relief now, especially as we near the holiday shopping season."

The Credit Cardholder's Bill of Rights, which Congress passed into law earlier this year, is intended to level the playing field between card issuers and cardholders by applying common sense regulations that would ban most retroactive interest rate hikes on existing balances, double-cycle billing and due-date gimmicks. After complaints from the credit card industry that the law's reforms would take time to instate, the law gave the industry until February 22, 2010 to change the way they do business.

"The major credit card companies are using this extra time engage in the same dirty tricks, unfairly increasing interest rates on consumers retroactively and basing rate hikes on a consumer's history with other credit card companies," stated Congressman Hall. "To prevent the major credit card companies from engaging in a last-ditch effort to selfishly harm consumers during an economic recession, I voted to make the Credit Cardholders Bill of Rights take effect immediately."

The Credit Cardholders' Bill of Rights will protect American credit cardholders with the following common sense reforms to our financial system:

- Prevents card companies from unfairly increasing interest rates on existing card balances – retroactive increases are permitted only if a cardholder is more than 30 days late, if a promotional rate expires, if the rate adjusts as part of a variable rate, or if the cardholder fails to comply with a workout agreement.
- Requires card companies to give 45 days notice of all interest rate increases or significant contract changes (e.g. fees).
- Ends unfair "double cycle" billing – card companies couldn't charge interest on debt consumers have already paid on time.
- If a cardholder pays on time and in full, the bill prevents card companies from piling additional fees on balances consisting solely of left-over interest.
- Prohibits card companies from charging a fee when customers pay their bill.
- Many companies credit payments to a cardholder's lowest interest rate balances first, making it impossible for the consumer to pay off high-rate debt. The bill bans this practice, requiring payments made in excess of the minimum to be allocated proportionally or to the balance with the highest interest rate.
- Requires card companies to mail billing statements 21 calendar days before the due date (up from the current 14 days), and to credit as "on time" payments made before 5 p.m. local time on the due date.
- Extends due date to next business day for mailed payments when the due date falls on a day a card company does not accept or receive mail (i.e. Sundays and holidays).
- Prohibits card companies from knowingly issuing cards to individuals under 18 who are not emancipated.